

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re **BLUE DOG AT 399 INC**

Debtor

Case No. **15-10694**

Reporting Period: **MAY 2019**

Federal Tax I.D. # **45-XXX7773**

CORPORATE MONTHLY OPERATING REPORT

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.
(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements		YES	NO
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (COMPTON)	YES	NO
Copies of bank statements			NO
Cash disbursements journals			NO
Statement of Operations		YES	NO
Balance Sheet	MOR-2	YES	NO
Status of Post-petition Taxes		YES	NO
Copies of IRS Form 6123 or payment receipt			NO
Copies of tax returns filed during reporting period			NO
Summary of Unpaid Post-petition Debts	MOR-3	YES	NO
Listing of Aged Accounts Payable			NO
Accounts Receivable Reconciliation and Aging		YES	NO
Taxes Reconciliation and Aging		YES	NO
Payments to Insiders and Professional	MOR-6	YES	NO
Post Petition Status of Secured Notes, Leases Payable	MOR-8	YES	NO
Debtor Questionnaire	MOR-9	YES	NO

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Authorized Individual*

Date

Date **6/18/19**

Robert Powell, Authorized Representative of D&D Funding II, LLC Majority Equity Holder

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

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SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CONT)]

	BANK ACCOUNTS				CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
	OPER	PAYROLL	TAX	OTHER ATTORNEY ESCROW ACCOUNT **	
ACCOUNT NUMBER (LAST 4)					
CASH BEGINNING OF MONTH				307,146	307,146
RECEIPTS					
CASH SALES					
ACCOUNTS RECEIVABLE - PREPETITION					
ACCOUNTS RECEIVABLE - POSTPETITION					
ADVANCE from Otterburg					
SALE OF ASSETS					
OTHER SETTLEMENT					
TRANSFERS (FROM DIP ACCTS)					
TOTAL RECEIPTS				0	0
DISBURSEMENTS					
NET PAYROLL					
PAYROLL TAXES					
SALES, USE, & OTHER TAXES					
INVENTORY PURCHASES					
SECURED/ RENTAL/ LEASES					
INSURANCE					
ADMINISTRATIVE					
SELLING					
OTHER (ATTACH LIST)					
OWNER DRAW **					
TRANSFERS (TO DIP ACCTS)					
PROFESSIONAL FEES					
U.S. TRUSTEE QUARTERLY FEES					
COURT COSTS					
TOTAL DISBURSEMENTS				0	0
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)				0	
CASH - END OF MONTH				307,146	307,146

** Funds are currently being held in Otterbourg PC's attorney escrow account until a DIP account can be opened for the Debtor.

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	0
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	\$0.00
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	\$0.00
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	\$0.00

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BANK RECONCILIATIONS

Continuation Sheet for MOR-1

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.

(Bank account numbers may be redacted to last four numbers.)

	Operating # N/A	Payroll # N/A	Tax # N/A	Other ATTY ESCROW
BALANCE PER BOOKS				307,146
BANK BALANCE				307,146
(+) DEPOSITS IN TRANSIT (<i>ATTACH LIST</i>)				
(-) OUTSTANDING CHECKS (<i>ATTACH LIST</i>):				
OTHER (<i>ATTACH EXPLANATION</i>)				
ADJUSTED BANK BALANCE *				307,146

*"Adjusted Bank Balance" must equal "Balance per Books"

DEPOSITS IN TRANSIT	Date	Amount	Date	Amount
CHECKS OUTSTANDING	Ck. #	Amount	Ck. #	Amount

OTHER

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STATEMENT OF OPERATIONS (Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	MAY 2019	CUMULATIVE -FILING TO DATE
Gross Revenues	0	0
Less: Returns and Allowances	0	0
Net Revenue	0	0
COST OF GOODS SOLD		
Beginning Inventory	0	0
Add: Purchases	0	0
Add: Cost of Labor	0	0
Add: Other Costs (<i>attach schedule</i>)	0	0
Less: Ending Inventory	0	0
Cost of Goods Sold	0	0
Gross Profit	0	0
OPERATING EXPENSES		
Advertising	0	0
Auto and Truck Expense	0	0
Bad Debts	0	0
Contributions	0	0
Employee Benefits Programs	0	0
Officer/Insider Compensation*	0	0
Insurance	0	0
Management Fees/Bonuses	0	0
Office Expense	0	0
Pension & Profit-Sharing Plans	0	0
Repairs and Maintenance	0	0
Rent and Lease Expense	0	0
Salaries/Commissions/Fees	0	0
Supplies	0	0
Taxes - Payroll	0	0
Taxes - Real Estate	0	0
Taxes - Other	0	0
Travel and Entertainment	0	0
Utilities	0	0
Other (<i>attach schedule</i>)	0	0
Total Operating Expenses Before Depreciation	0	0
Depreciation/Depletion/Amortization	0	0
Net Profit (Loss) Before Other Income & Expenses	0	0
OTHER INCOME AND EXPENSES		
Other Income (<i>attach schedule</i>)	0	307,146
Interest Expense	0	0
Other Expense (<i>attach schedule</i>)	0	0
Net Profit (Loss) Before Reorganization Items	0	307,146

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REORGANIZATION ITEMS		
Professional Fees	70,421	1,336,590
U. S. Trustee Quarterly Fees	0	4,237
Interest Earned on Accumulated Cash from Chapter 11 <i>(see continuation sheet)</i>	0	0
Gain (Loss) from Sale of Equipment	0	0
Other Reorganization Expenses <i>(attach schedule)</i>	0	0
Total Reorganization Expenses	70421	1194170
Income Taxes	0	0
Net Profit (Loss)	(70421)	(887025)

*"Insider" is defined in 11 U.S.C. Section 101(31).

BREAKDOWN OF "OTHER" CATEGORY

OTHER COSTS

OTHER OPERATIONAL EXPENSES

OTHER INCOME

\$300,000.00 Received for settlement of litigation with Boston Properties and \$7,145.62 received from net proceeds for sale of certain equipment.		

OTHER EXPENSES

OTHER REORGANIZATION EXPENSES

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

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BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
CURRENT ASSETS			
Unrestricted Cash and Equivalents	307,146	307,146	0
Restricted Cash and Cash Equivalents (<i>see continuation sheet</i>)	0	0	0
Accounts Receivable (Net)	0	0	0
Notes Receivable	0	0	0
Inventories	0	0	0
Prepaid Expenses	0	0	0
Professional Retainers	0	0	50,000
Other Current Assets (<i>attach schedule</i>)	0	0	171,600
TOTAL CURRENT ASSETS	307,146	307,146	221,600
PROPERTY & EQUIPMENT			
Real Property and Improvements	0	0	0
Machinery and Equipment	0	0	0
Furniture, Fixtures and Office Equipment	0	0	1,280,000
Leasehold Improvements	0	0	0
Vehicles	0	0	0
Less: Accumulated Depreciation	0	0	0
TOTAL PROPERTY & EQUIPMENT	0	0	1,280,000
OTHER ASSETS			
Amounts due from Insiders*	0	0	0
Other Assets (<i>attach schedule</i>)	0	0	0
TOTAL OTHER ASSETS	0	0	0
TOTAL ASSETS	307,146	307,146	1,451,600
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)			
Accounts Payable Otterburg	1,631	1,631	0
Taxes Payable (<i>refer to FORM MOR-4</i>)	0	0	0
Wages Payable	0	0	0
Notes Payable	0	0	0
Rent / Leases - Building/Equipment	0	0	0
UST Fees	0	0	0
Professional Fees	1,357,012	1,286,591	0
Amounts Due to Insiders*	0	0	0
Other Post-petition Liabilities (<i>attach schedule</i>)	0	0	0
TOTAL POST-PETITION LIABILITIES	1,358,643	1,288,222	0
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)			
Secured Debt	103,030	103,030	103,030
Priority Debt	0	0	0
Unsecured Debt	3,766,120	3,766,120	3,766,120
TOTAL PRE-PETITION LIABILITIES	3,869,151	3,869,151	3,869,151
TOTAL LIABILITIES	5,227,794	5,157,373	3,869,151
OWNERS' EQUITY			
Capital Stock	0	0	0
Additional Paid-In Capital	0	0	0
Partners' Capital Account	0	0	0
Owner's Equity Account	0	0	0
Retained Earnings - Pre-Petition	-2,417,551	-2,417,551	-2,417,551
Retained Earnings - Post-petition	-2,503,097	-2,432,676	0
Adjustments to Owner Equity (<i>attach schedule</i>)	0	0	0
Post-petition Contributions (<i>attach schedule</i>)	0	0	0
NET OWNERS' EQUITY	-4,920,648	-4,850,227	-2,417,551
TOTAL LIABILITIES AND OWNERS' EQUITY	307,146	307,146	1,451,600

**Insider* is defined in 11 U.S.C. Section 101(31).

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BALANCE SHEET - continuation section
ASSETS

	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Current Assets			
Claim against Seyfarth Shaw	N/A	N/A	
Other Assets			
Security deposit held by BP 399 Park Avenue LLC or its agent.	0		
Money held in escrow account by BP 399 Park Avenue LLC or its agent.	0		
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH		BOOK VALUE ON PETITION DATE
Other Post-petition Liabilities			
Adjustments to Owner's Equity			
Post-Petition Contributions			

Restricted Cash: Cash that is restricted for a specific use and not available to fund operations.
Typically, restricted cash is segregated into a separate account, such as an escrow account.

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STATUS OF POST-PETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
Federal						
Withholding						
FICA-Employee						
FICA-Employer						
Unemployment						
Income						
Other:						
Total Federal Taxes						
State and Local						
Withholding						
Sales						
Excise						
Unemployment						
Real Property						
Personal Property						
Other:						
Total State and Local						
Total Taxes						

SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due					
	Current	0-30	31-60	61-90	Over 91	Total
Accounts Payable	1,631	0	0	0	0	1,631
Wages Payable	0	0	0	0	0	0
Taxes Payable	0	0	0	0	0	0
Rent/Leases-Building	0	0	0	0	0	0
Rent/Leases-Equipment	0	0	0	0	0	0
UST Fees	0		0	0		0
Professional Fees	152,989	1,080,637	0	0	123,386	1,357,012
Amounts Due to Insiders		0	0	0	0	0
Other:						
Other:						
Total Post-petition Debts	152,989	1,080,637	0	0	123,386	1,358,643

Explain how and when the Debtor intends to pay any past due post-petition debts.

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ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation		Amount
Total Accounts Receivable at the beginning of the reporting period		\$0.00
Plus: Amounts billed during the period		\$0.00
Less: Amounts collected during the period		\$0.00
Total Accounts Receivable at the end of the reporting period		\$0.00

Accounts Receivable Aging	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Accounts Receivable					\$0.00
Less: Bad Debts (Amount considered uncollectible)					
Net Accounts Receivable					\$0.00

TAXES RECONCILIATION AND AGING

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Taxes Payable					
Total Accounts Payable					\$0.00

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PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
TOTAL PAYMENTS TO INSIDERS			

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
Wollmuth Maher & Deuts	5/31/2016	174,850	50,000	50,000	124,850
Otterbourg P.C.	1/25/2019	419,005	0	0	892,805
Weinberg Zareh Malkin	1/25/2019	188,047	0	0	188,047
Scott M. Hare	1/25/2019	68,296	0	0	145,557
IMSPIEGEL					5,753
TOTAL PAYMENTS TO PROFESSIONALS		850,199	50,000	50,000	1,357,012

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
TOTAL PAYMENTS			

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DEBTOR QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.		Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		X
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?	X (A)	
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		X
5	Is the Debtor delinquent in paying any insurance premium payment?		X
6	Have any payments been made on pre-petition liabilities this reporting period?		X
7	Are any post petition receivables (accounts, notes or loans) due from related parties?		X
8	Are any post petition payroll taxes past due?		X
9	Are any post petition State or Federal income taxes past due?		X
10	Are any post petition real estate taxes past due?		X
11	Are any other post petition taxes past due?		X
12	Have any pre-petition taxes been paid during this reporting period?		X
13	Are any amounts owed to post petition creditors delinquent?		X
14	Are any wage payments past due?		X
15	Have any post petition loans been received by the Debtor from any party?		X
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?	X (B)	
18	Have the owners or shareholders received any compensation outside of the normal course of business?		X

(A) All income tax returns pending receipt of data

(B) Pending available funding

Blue Day at 341 Inc
Chapter 11

03874.081
MLC

BALANCE FORWARD

Date	Description	Amount	CR
12-31-18	Funds wired in	300,000.00	CR 71
7-19-19	Funds wired in	7,145.62	CR 82
	Blue Day - Chpt 11		CR 71
	Blue Day - Chpt 11		CR 82

300,000.00
307,145.62